



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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1. Introduction

The first quarter socio economic bulletin will focus on economic growth and development in Limpopo Province. The bulletin will also focus on delivery of health services in the province with special emphasis on progress made in combating HIV/AIDS and challenges that still exist in the sector. The content of the bulletin is important to the planners in the province as departments will be planning for the next five years, budgeting for the coming three years and starting the 2015/16 MTEF period. The level of economic growth and development will guide in prioritizing projects where resources will be allocated.

2. Labor Market in the province

Employment creation in the province is the pillar of government's growth and development plan. Working age population in the province has been growing rapidly at an average rate of 2.5 per year for the past five years. The number from this group that is not economically active escalated, resulting in a marginally improved labour force participation rate between 2013Q:3 (40.5%) and 2013Q:4 (40.6%), and labour force rate decline in the first quarter of 2014 was recorded as 40.0 percent. However, during the same year the number of unemployed people and discouraged work seekers declined by -6.2% and -9.3% respectively.

Table 3 : Limpopo labor force characteristics Q3 2013 to Q1 2014

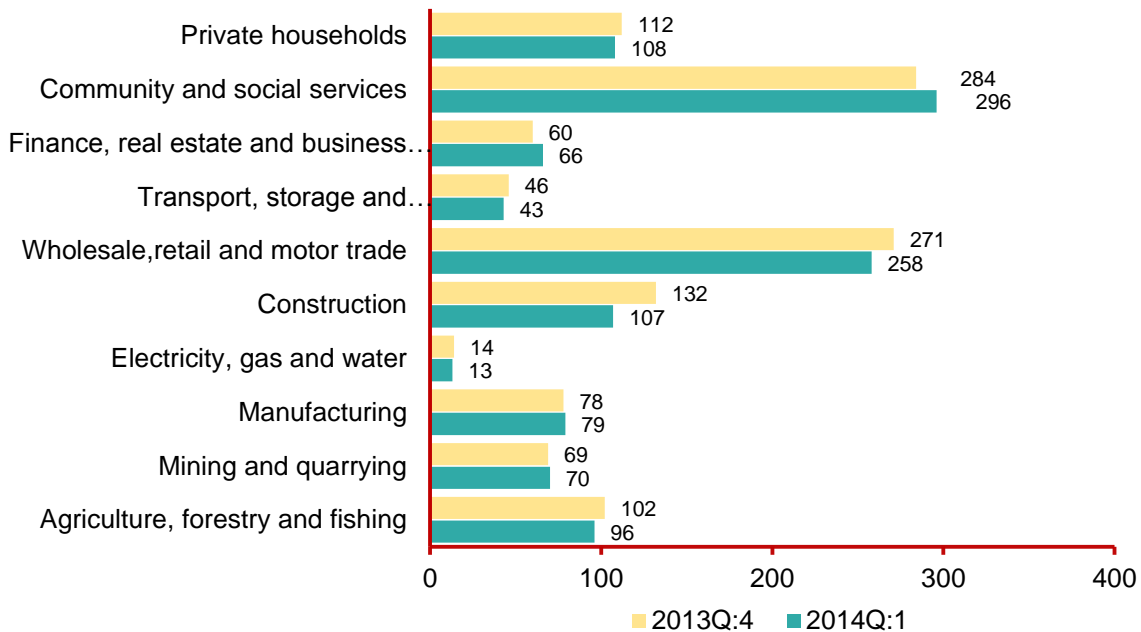
	2013Q:3	2013Q:4	2014Q:1	QonQ	YonY
Working age population	3 450	3 466	3 482	0.5%	1.9%
Labor force	1 339	1 406	1 392	-1.0%	2.6%
Employed	1 159	1 168	1 136	-2.7%	4.9%
Unemployed	240	238	256	7.5%	-6.2%
Not economically active	2 051	2 060	2 090	1.4%	1.4%
Discouraged work seekers	401	324	377	16.3%	-9.3%
Other	1 650	1 736	1 713	-1.3%	4.1%
Unemployment rate	17.2%	16.9%	18.4%		
Labor absorption rate	33.6%	33.7%	32.6%		
Labor force participation rate	40.5%	40.6%	40.0%		

Source: Statistics South Africa (2014), Limpopo Provincial Treasury (2014)

3. Provincial employment by industry between 2013:Q4 and 2014:Q4

It is vital to look into the contribution of different sector into employment. This becomes important for the purpose of putting more resources into sectors that contribute more to employment and come up with plans to assist those that are not contributing much.

Figure 3: Provincial employment by industry 2013 Q4 to 2014 Q1



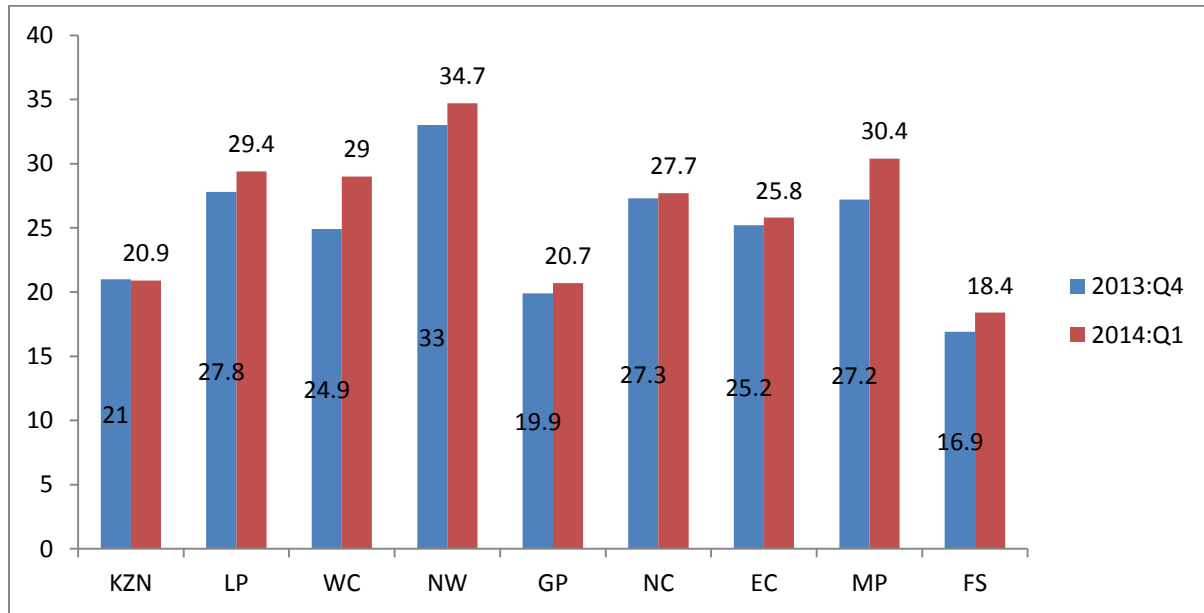
Source: Statistics South Africa (2014), Limpopo Provincial Treasury (2014)

Community and social services remains by far the largest employer in the province, followed by manufacturing. Mining and quarrying recorded 70 thousand. Finance, real estate and business recorded 66 thousand, these sectors improved in the first quarter of 2014. The remaining six sectors struggled in this quarter especially construction sector. The sector is not moving in the province, it has recorded employment of 107 in Q1 of 2014 as compared to 132 in Q4 of 2013. The sector declined significantly. Between Q4 of 2013 and Q1 of 2014 wholesale, retail and motor trade increased from 258 to 271. Agriculture, forestry and fishing experienced slight drop from 102 to 96. The smaller sector transport, storage and communication and electricity, gas and water had dropped and are recorded as the lowest sectors.

4. Comparison of provincial unemployment between 2013:Q4 and 2013:Q1 increased.

This section will focus on provincial unemployment .The period to be covered is fourth quarter 2013 up to first quarter 2014. The comparison will assist policy makers in detecting the increase or decline in unemployment for the purpose of intervention in case there is a need to intervene.

Figure 4: Unemployment by province 2013 Q4 to 2014 Q1



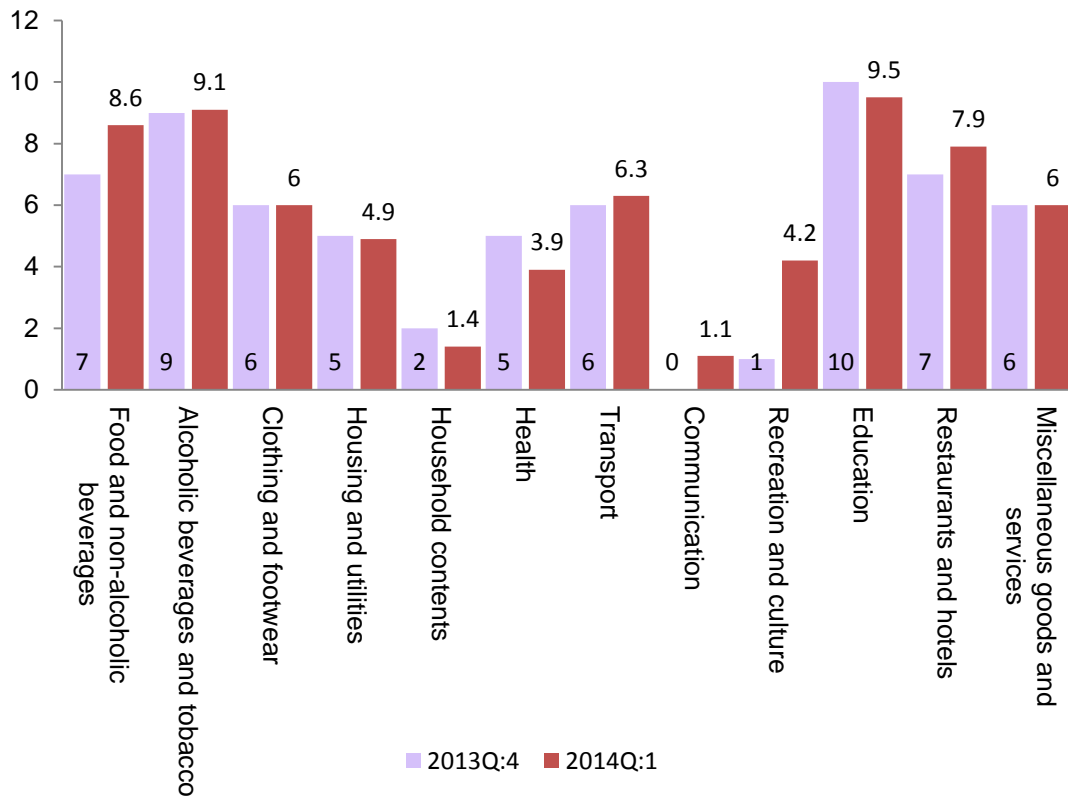
Source: Statistics South Africa (2014), Limpopo Provincial Treasury (2014)

The provincial unemployment rate increased slightly from 27.8 percent in the fourth quarter of 2013 to 29.4 percent in the first quarter of 2014. The provincial unemployment rate increased by 1.6 %. Western Cape had the highest percentage points increase recorded as 4.1 % , this province increased from 24.9% in the fourth quarter of 2013 to 29% in the first quarter of 2014. Mpumalanga is accounted for the second highest percentage points recorded as 3.2%. North West province experiences the highest increase of unemployment rate during the same period from 33% to 34.7%, followed by Mpumalanga and Limpopo. Free State is accounted for the lowest rate of 18.4% in the first quarter of 2014. KwaZulu Natal is the only province with a slight decrease of unemployment rate out of the nine provinces.

5. Provincial Inflation scenario

This section will focus on consumer inflation the province. It is imperative even at provincial level to know the level of inflation. This will assist the citizens to control their personal spending and for provincial government to prioritize high priority projects when inflation rate is high. Interest rates are usually also low during periods of low inflation and high on periods of high inflation.

Figure 5: Limpopo consumer inflation 2013 to 2014



Source: Statistics South Africa (2011-2014), Limpopo Provincial Treasury (2014)

Most product categories inflation in the first quarter of 2014 increased as compared to 2013:Q4. There was a considerable decline in communication (0%), food and non-alcoholic beverage (9%) and household contents (2%) in 2013:Q4. Two categories increased in 2014:Q1 except household contents that experienced a decline. The other product increased. Miscellaneous goods and services and clothing and footwear remained unchanged. Health, Education, recreation declined marginally.

5.1. Provincial inflation comparison

This section will compare inflation in Limpopo and other provinces. There are different factors, different baskets of goods, different consumer preferences and behaviors that contribute to difference levels of inflation in different provinces.

Table 4: Comparative inflation levels for South Africa and Provinces 2011 to 2014

<i>Year</i>	2011	2012	2013	2014 Jan	2014 April
Provinces					
<i>Eastern Cape</i>	5.9	6.0	5.3	5.5	6.5
<i>Free State</i>	5.8	5.8	5.8	5.7	6.4
<i>Gauteng</i>	4.8	4.8	5.9	5.9	6.2
<i>KwaZulu Natal</i>	4.6	4.6	5.6	5.9	6.7
<i>Limpopo</i>	5.1	5.1	5.9	6.4	6.8
<i>Mpumalanga</i>	5.1	5.1	5.6	5.2	5.9
<i>Northern Cape</i>	5.8	6.7	5.7	5.3	5.9
<i>North West</i>	5.2	5.2	5.5	5.1	5.7
<i>Western Cape</i>	4.9	5.4	5.5	5.7	5.9
<i>South Africa</i>	5.0	5.6	5.7	5.8	6.1

Source: Statistics South Africa (2011-2014), Limpopo Provincial Treasury (2014)

The figure above shows Consumer Price Index (CPI) percentage change for South Africa and the nine provinces since 2011. Provinces with an annual inflation rate lower than the national headline inflation in April 2014 were Western Cape (5.6%), Northern Cape (5.9%), and Mpumalanga (5.9%) and North West (5.7%). The provinces with an annual inflation rate higher than headline inflation were Limpopo (6.8), KwaZulu Natal (6.7%), Eastern Cape (6.5%), and Free State (6.4%), Limpopo's inflation rate was higher than national inflation rate between 2011, 2013 and 2014 except in 2012, Limpopo was the

highest among eight provinces in April 2014. The national average annual inflation rate for 2013 was 5.7% which was marginally higher than the corresponding average annual inflation rate of 5.6% for 2012. The national headline Consumer Price Index for all areas annual inflation rate in April was 6.1%.

5.2. Sectoral contribution to GDP

This section will assess sectors that contributed to economic growth rate between 1995 and 2011. Assessment of the growth rate and the sectors that contribute to it assist in identifying sectors that can be enhanced and those that need intervention from government.

Table 5: Sectors contributed to GDP during 1995-2011, primary, secondary and tertiary

Sectors	Average (1995-2000)	Average (2001-2006)	Average (2007-2011)	
Primary Sectors				Primary Industry (25%) 1995-2011
Agriculture, forestry and fishing	4%	2%	3%	
Mining and quarrying	23%	24%	20%	
Secondary Sectors				Secondary Industry (8%) 1995-2011
Manufacturing	4%	3%	3%	
Electricity, gas and water	2%	2%	2%	
Construction	2%	2%	2%	
Tertiary Sectors				Tertiary Industry (56%) 1995-2011
Personal services	5%	5%	5%	
Finance, real estate and business services	15%	14%	17%	
General government services	19%	17%	17%	
Wholesale, retail and motor	11%	11%	11%	
Transport, storage and communication	6%	8%	9%	

Limpopo Provincial Treasury (2014), Quantec research (2013)

As depicted in the table above the tertiary sector increased its contribution to GDP between 1995 and 2011 (4%). The secondary (1%) and primary (4%) both declined. The primary industry contributed an average of 27% to Limpopo GDP during 1995-2000. This comprised 4% from agriculture, forestry and fishing, and 23% from mining and quarrying. In 2001-2006 the average contribution to GDP declined to 26%. This decline in primary sector contribution to GDP continued and reached 23% during 2007-2011. Mining and quarrying sector remained the driving sector to primary industry contribution to Limpopo GDP. In 1995-2000 secondary sector contributed an average of 8% to Limpopo GDP which was constituted by 4% from manufacturing, 2% from electricity, gas and water and 2% from construction. Since 2001 to 2011 the average contribution to GDP remained constant at 7% throughout the entire period. In 1995-2000 tertiary sector contributed an average of 55% which comprised of 15% from finance, real estate and business services, 19% from government services and 21% from others. Then in 2001-2006 average contribution to Limpopo GDP increased to 56%. Between 2007-2011, the average contribution increased to (59%). The tertiary sector was the highest contributor to Limpopo GDP over the decade.

6. Health provision in Limpopo

HIV/AIDS continue to be a major global public health issue, according to the World Health organisation (WHO) this epidemic has claimed more than 36 billion lives. Sub Saharan Africa is the most effected region with nearly one in every twenty adults living with HIV. The history of South Africa's response to HIV/AIDS shows gradual apprehension of the magnitude of the problem over the last two decades.

The UNAIDS Spectrum Model suggests that, there were an estimated 370,000 new infections in 2012 in the Republic. HIV incidence among adults aged 15 year-49 years was 1.37 per cent persons per year in 2012, while the number of new HIV infections among children under the 15 years declined substantially to an estimated 21, 00 in 2012. The declining trends are by and large attributed to the hastening of the prevention of mother-to-child transmission.

The 2012 provincial HIV prevalence estimates have remained largely unchanged when compared to 2011. In the past 23 years, the highest HIV prevalence among the 15-49 year olds has been recorded in KwaZulu- Natal which remained stable at 37.4% in 2011 and 2012, followed by Mpumalanga and Free State with overall prevalence rates greater than 30 per cent. The lowest HIV prevalence rates were recorded in the Western Cape, Northern Cape, and Limpopo. North West, Limpopo and the Eastern Cape recorded HIV prevalence between 20 per cent and 30 per cent. The Northern Cape and Western Cape are the only provinces that recorded HIV prevalence below 20 per cent. ¹

¹ The 2012 National Antenatal Sintel HIV and Herpes Simplex Type 2 Prevalence Survey in South Africa

6.1. Policy Environment

The National Strategic Plan (NSP) on HIV and AIDS, STI's and TB 2012-2016 has set an array of targets, not all of which are easily measured. Nonetheless there is good evidence to show that significant gains have already been made in relation to preventing mother-to-child transmission. There is also evidence of an effect on life expectancy. Integrating monitoring and evaluation systems for HIV into mainstream systems remains a challenge at all levels.

The NSP 2012–2016 is driven by a long-term vision for the country with respect to the HIV and TB epidemics.

It has adapted, as a 20-year vision, the Three Zeros advocated by UNAIDS. The vision for South Africa is: Zero new HIV and TB infections; Zero new infections due to vertical transmission; Zero preventable deaths associated with HIV and TB; Zero discrimination associated with HIV and TB.

In line with this 20-year vision, the NSP 2012-2016 has the following broad goals:

- Reduce new HIV infections by at least 50% using combination prevention approaches; Initiate at least 80% of eligible patients on antiretroviral treatment (ART), with 70% alive and on treatment five years after initiation; reduce the number of new TB infections as well as deaths from TB by 50%.
- Ensure an enabling and accessible legal framework that protects and promotes human rights in order to support implementation of the NSP; and reduce self-reported stigma related to HIV and TB by at least 50%.

The plan has four strategic objectives, which will form the basis of the HIV, STI and TB response. These are:

1. Address social and structural barriers to HIV, STI and TB prevention, care and impact;
2. Prevent new HIV, STI and TB infections;
3. Sustain health and wellness; and
4. Increase protection of human rights and improve access.²

² The National Strategic Plan for HIV and AIDS, STI's and TB 2012-2016

The NSP is well incorporated into the National Development Plan 2030 (NDP). There is synergy. The National Development Plan also included actions under the broad headings of addressing the social determinants of health, reducing the burden of disease, building human resources for the health sector, strengthening the national health system and implementing National Health Insurance.³

6.2. National Overview of the HIV epidemic and prevalence

South Africa's footpath from pariah in the view of the HIV world to recognition of the progress made notably in relation to mother-to child transmission is a positive one. Moreover in relation to the sheer size of the public sector antiretroviral treatment programme has been well documented.

The HIV Counselling and Testing (HCT) campaign was officially launched by the President of South Africa in April 2010. The uptake of HIV testing, as part of routine services in the public sector, has continued to increase after the end of the campaign. By 2007/08 over 70% of eligible antenatal clients (i.e. who are not known to be HIV positive) were tested for HIV at their first antenatal visit, increasing to around 100% coverage by 2011/12, with 1,003,220 antenatal clients tested. The greatest increase in testing over the past five years has been in the general population.

The national antenatal HIV prevalence is 30.2% among 15-49 year olds and 21.8% among 15-24 year olds as shown in the 2010 National Antenatal Sentinel HIV and Syphilis Prevalence Survey of South Africa. The national prevalence rate from the survey has remained stable over the past 5 years in both groups although pooled data over 10 years suggests a small decline in prevalence in the 15-24 age groups.

The number of adults on antiretroviral therapy (ART) in 2011/12 was 1,611,071 (550,492 men and 1,060,579 women), the number of children was 124,619, with a total of 1,735,690 people on ART in the public sector in South Africa. The need for ART among HIV-infected individuals is not known but is estimated to be between 2,878,947 and 3,567,391, suggesting that coverage is approximately only half of those in need.⁴

Table 4 below demonstrates how there has been increase in the number of people who got tested for HIV in South Africa from the year 2007 to 2012. This illustrates the effectiveness of the testing campaign.

³ Health and Related Indicators

⁴ Annual Health Statistic 2012

Table 4: Number of people tested for HIV national, 2007/8- 2011/12

Data Element name/indicator	2007/08	2008/9	2009/10	2010/2011	2011/12
Antenatal client HIV first test	851,171	1,01,336	1,078,086	1,045,532	1,003,220
HIV client tested(excluding antenatal)	1,959,823	2,631,952	2,967,694	5,985,445	7,870,632
Total tested for HIV	2,810,994	3,642,288	4,045,780	7,030,977	8,873,852
ANC tested as percentage of total tested	30.3	27.7	26.6	14.9	11.3

Source: DHIS 2013

6.3. The 2012 National Antenatal Sentinel HIV & Herpes Simplex Type-2 Prevalence Survey in South Africa

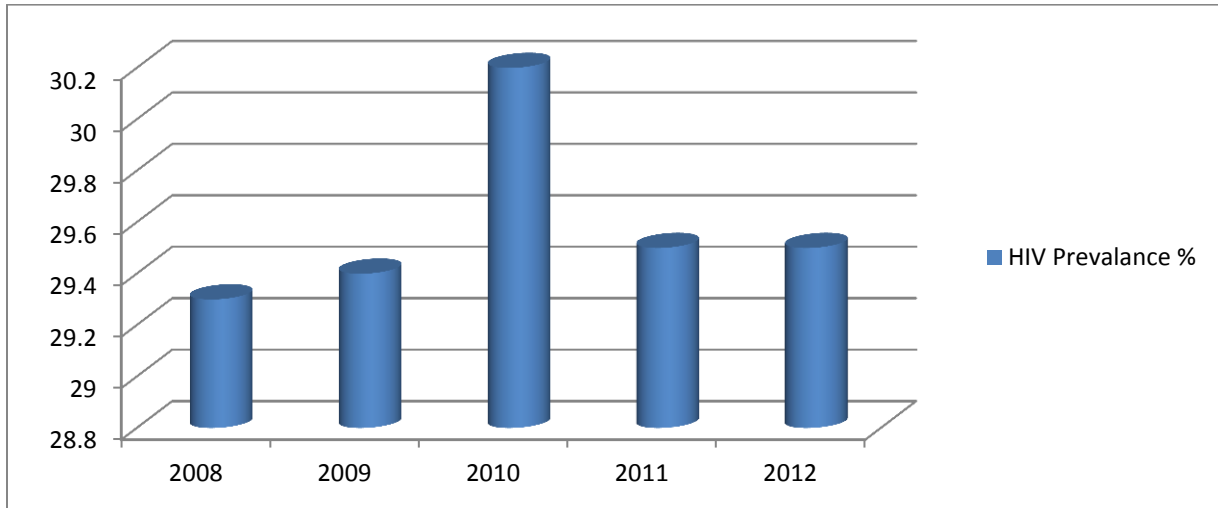
Each year a national survey of HIV prevalence among women attending public antenatal clinics in South Africa is conducted by the department of health. The annual HIV antenatal survey provides South Africa with annual HIV trend among pregnant women and further provides the basis for making other estimate projections on HIV/AIDS trends.

‘The findings show that the overall national HIV prevalence estimates among 15-49 year pregnant women have remained the same at 29.5% in 2011 and 2012. This annual antenatal HIV surveillance data provides accurate data on HIV prevalence among pregnant 15-24 year old women, where the country is expected to have reduced the HIV prevalence in this age-group by two-thirds by 2015, this is the Millennium Development Goal 6, Target 7, Indicator 18.’⁵

The Figure below shows the prevalence of the National HIV prevalence estimates among antenatal women between the years 2008 to the year 2012. The figure shows that the prevalence estimate has remained fairly stable throughout these years and is exactly the same between 2011 and 2012.

⁵ The 2012 National Antenatal Sentinel HIV & Herpes Simplex Type-2 Prevalence Survey in South Africa

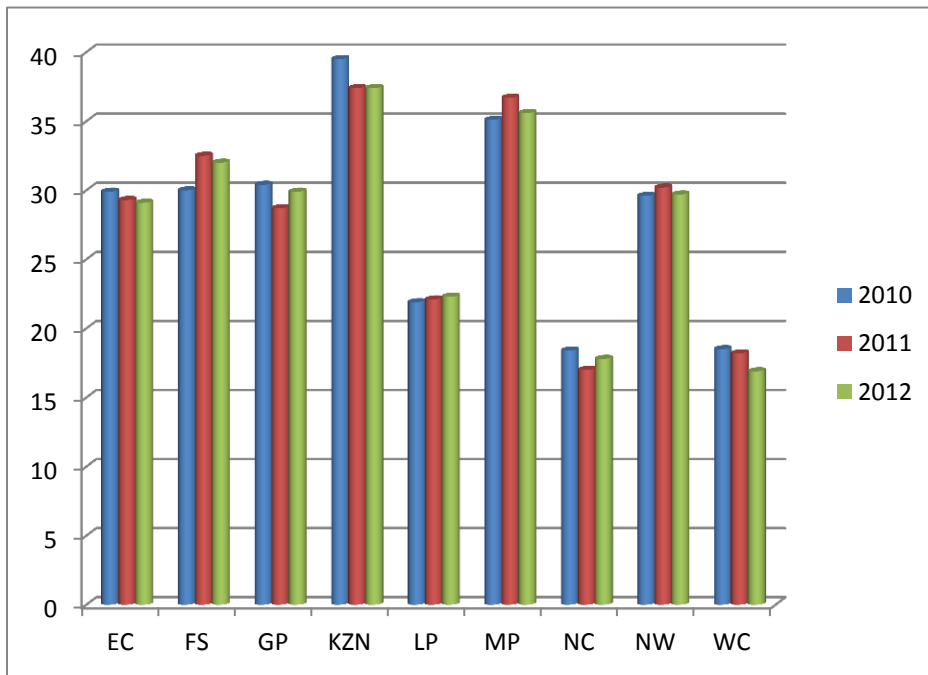
Figure 4: The national HIV prevalence trends, South Africa 2008-2012



Source: NDoH 2013

Five provinces namely; Free State, Gauteng, Kwazulu-Natal, Mpumalanga and North West have logged in 2012, HIV prevalence estimates that are above national estimate of 29.5 per cent.

Figure 5: HIV prevalence estimates among antenatal women per province: 2010 to 2012



Source: NDoH 2013

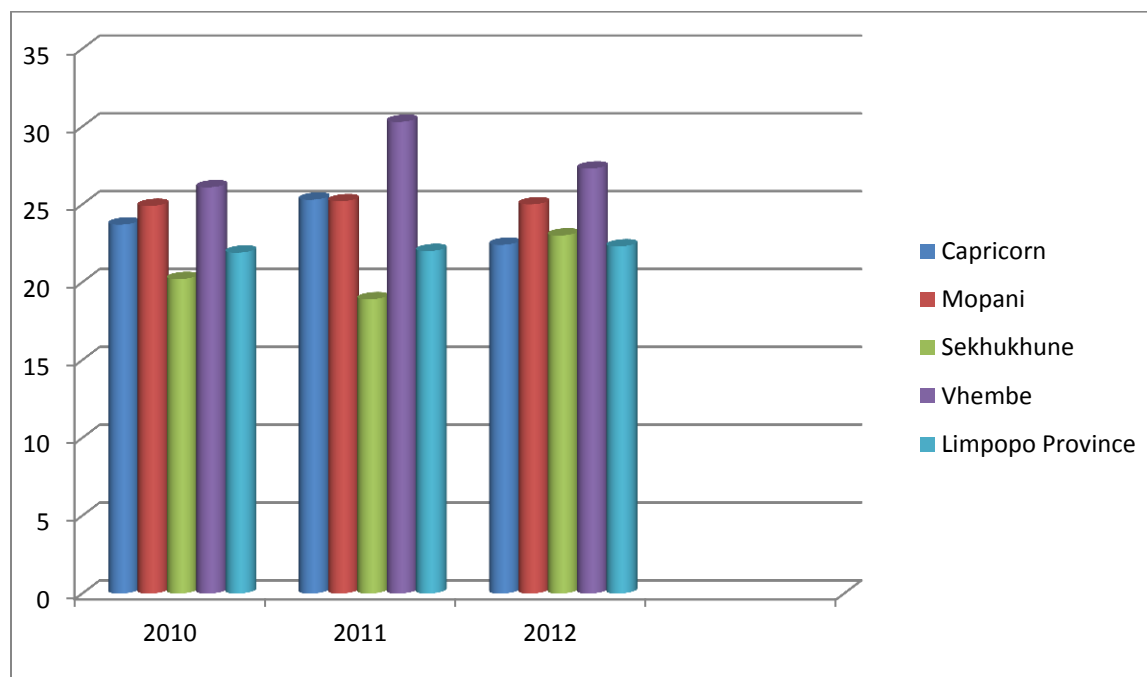
Nationally the HIV prevalence among the 15 - 24 year old pregnant women decreased from 21.8% in 2010 to 20.1 % in 2011, a decline of 1.7%. In the year 2012, 15 - 24 year old pregnant women HIV prevalence was 19.3%.

6.4. HIV prevalence estimates in Limpopo

In the year 2012, Limpopo provincial HIV prevalence amongst antenatal women was estimated at 22.3%. The overall provincial HIV prevalence in Limpopo has increased slightly from 21.9% in 2010 to 22.1% in 2011, this is indeed worrisome.

Intermittent changes in HIV prevalence rates were seen in the Vhembe district, which has in the past steadily recorded the lowest HIV prevalence, from 17.0% in 2010 to 14.6% in 2011 and 17.7% in 2012. Sekhukhune had a similar trend from 20.2% in 2010 to 18.9% in 2011 and 23.0% in 2012. Waterberg district continues to record the highest HIV prevalence in this province, although a notable decrease of 3% from 30.3% in 2011 to 27.3 % was noted in 2012.

Figure 6: HIV Prevalence among antenatal women by district, Limpopo 2010 to 2012



Source: NDoH 2013

As depicted in the figure above Vhembe, Sekhukhune and Mopani recorded prevalence rates that above the provincial estimate percentage. Capricorn recorded a decrease in HIV prevalence in the year 2012.

The HIV prevalence among the 15 - 24 year old pregnant women has also been on a steady decrease over the past three years, from 14.2% in 2010 to 13.6% in 2011 and 12.3% in 2012. The HIV prevalence of 34.0% was seen among women in the age groups 30 – 34 years.

7. Conclusion

There are some areas of economic performance that have improved but there are those that have not improved. One of the areas that need urgent government intervention in Limpopo Province is job creation as unemployment increased, labor absorption also declined between 2013 and 2014. Inflation in Limpopo was also higher than the national at the same period. As provincial government departments start the 2015 budget cycle they should take this into consideration by prioritising projects that of high priority and contribute to well-being of people of Limpopo. The government must improve on infrastructure spending as construction sector contribution to GDP has remained the same while its contribution to employment has declined. The sector has a potential to increase employment.

While South Africa as a whole has seen a steady decrease in HIV, there is a worrying increase in the provincial HIV prevalence, especially in areas that border the province from other SADC countries namely; the Vhembe region that is the cause for the increased provincial estimates and Waterberg which has seen a decrease but is still considerably the district with the highest percentage. An intense roll out of ARV's to the area should be highly considered in those areas to deal with the increasing percentages of the virus.